

SPACEL MANDLING

No. 64-043

27 March 1964

MEMORANDUM FOR THE RECORD

SUBJECT: Negotiations for Field Services - Contract No. FI-6555 with Fairchild Space & Defense Systems

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1. Pursuant to [REDACTED] 0442 dated 28 May 1963 DNRO requested costs and schedules for four new ARGON payloads. Procurement authority for the new payloads in the amount of [REDACTED] FY-64 was subsequently issued by DNRO and necessary funds were certified to the Contracting Officer by Headquarter's Document TS-155939 dated 12 September 1963.

2. On 11 February 1964 FSDS was authorized to proceed with field service support in accordance with the field service work statement, FES-1 dated 25 September 1963.

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3. In its initial proposal of 6 June 1963 FSDS proposed field service support at a cost of [REDACTED] including profit at [REDACTED] and engineering overhead of [REDACTED]. In the initial negotiation on 15 August 1963 at the Fairchild Plant the Government was represented by [REDACTED] Contracting Officer; Mr. [REDACTED] Auditor; Mr. [REDACTED] and [REDACTED]. The Contractor was represented by Messrs [REDACTED] and [REDACTED]. At this negotiation the hardware contract was the primary consideration, however a review was made of the field service proposal at the time and the Contractor was notified that the effort proposed would have to be reduced.

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4. On 21 August 1963 at Los Angeles, California, negotiations were continued with the Contractor. The Contractor's second proposal was in the amount of [REDACTED]. Negotiations were again directed primarily at the hardware contract and in light of the agreement reached with respect to this negotiation the Contractor was again informed that its field service effort would have to be reduced in scope. Accordingly on 20 September 1963 the Contractor submitted its revised proposal dated 30 September 1963 covering field service from March through 16 August 1964. This proposal was on a labor hour basis and provided for four men covering the fifty-six hour work week for the period of contract performance. After detailed negotiations a final price of [REDACTED] was arrived at based on the following principal elements:

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[REDACTED]

DOCUMENT NO. 17  
NO CHANGE IN CLASS. ☐  
☐ DECLASSIFIED  
CLASS. CHANGED TO: TS (S) C 2011  
NEXT REVIEW DATE: [REDACTED]  
AUTH: HR 70-2  
DATE: 10/8/81 REVIEWER: 010958

Car Rental. Actual costs plus G&A not to exceed \$1,437.50.

Travel. Actual costs plus G&A, total cost not to exceed \$4,485.00.

Per Diem. Total cost not to exceed \$13,910 including G&A.

No profit was allowed on car rental, travel or per diem.

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5. [REDACTED] reviewed all of the Contractor's rates and in addition provided a cost analysis comparing the Fairchild proposal with a similar proposal made by Fairchild during the time it was a subcontractor to LMSC A/P on the earlier ARGON program. [REDACTED] analysis is contained in memorandum dated 10 March 1964 which is part of this file.

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[REDACTED]

Contracting Officer

ORIGINAL HANDLING